

Fiscal Challenges for 2019-2021 Biennium



Short-run (two-year)

- New biennium uncertainty
- ERP costs: implementation & duplicate licensing
- PCC contract fees concurrent with capacity building for independence
 - Financial Aid,
 - Office of Instruction
 - Student Records
- Additional PERS
- NWCCU Expenses

Ongoing challenges

- Structural deficit in general fund, limited reserves
- Fair & competitive compensation
- Significant and volatile growth in PERS
- Growth in IT and data security expenses

Fiscal Impact: Up to \$700K each of next two years

(Est. February 2019)

- **Expenditure Estimates 19-21** (*not previously budgeted*)
 - ERP costs: implementation & duplicate licensing
 - \$250k per year
 - PCC contract (7% of instructional salary)
 - 19-20 \$140K
 - 20-21 \$50K (transition services?)
 - Capacity building for independence
 - Financial Aid, Office of Instruction, Student Records
 - \$150k to \$250k per year?
 - Additional PERS
 - \$250K 19-20 (could continue)
 - NWCCU Expenses
 - \$15k 19-20
- Ongoing Structural Deficit
 - For 18-19, was approximately \$200K (excluding ERP)
 - Compensation, Benefits, IT: upwards pressure

Strategies to Address Deficit & Balance Budget (Proposed February 2019)

- ✓ Use two-year lens, minimize surprises
- ✓ Address one-time costs with
 - ✓ Reserves (reduce from 15% to 10%), budget over two years
 - ✓ Other strategies
 - ✓ Temporary expense reductions
 - ✓ Generate additional revenue
 - ? Grants
 - ? Overage, if any, from CCSF increase
- ✓ Ongoing: Structural Deficit, Competitiveness, Capacity
 - ✓ Tuition increase \$10 per credit would yield \$120K (flat enrollment).
 - ✓ CCSF from 0 to \$300K for OCCC depending on CCSF level: **Budgeted \$160K projecting a \$610M CCSF**
 - ✓ Repurpose PCC contract budgeted funds
 - Post 2021, build reserve above 10%

General Fund Deficit and Beginning Year Fund Balance

Five-Year Tracking

	16-17	17-18	18-19	19-20	20-21
Budgeted GF Deficit	\$ 414,416	\$ 333,996	\$ 299,738	\$ 540,632	\$ 366,390
Innovation Funds GF*	\$ 138,110	\$ 89,631	\$ 80,000	\$ 40,915	\$ 179,446
Phasing Expense					
--Rogue Net License			\$ 97,000	\$ 100,000	
--PCC IGSA			\$ 135,000	\$ 60,000	\$ 20,000
--NWCCU Acceleration				\$ 63,000	
--ERP Implementation					\$ 147,000
--PT CTE Director (HHS)					\$ 75,000
"Fixed" Deficit	\$ 276,306	\$ 244,365	\$ (12,262)	\$ 276,717	\$ (55,056)
	Actual	Actual	Actual	Actual	Projected
BOY Fund Balance	\$ 1,255,480	\$ 1,285,849	\$ 1,026,166	\$ 927,450	\$ 812,467

*Innovation Funds previously called Strategic Initiatives

20-21 PERS Increase
\$127,086